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**Natural Resources, Ecology &  
Parks Committee**

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**HB 2368**

**Brief Description:** Authorizing development rights demonstration projects.

**Sponsors:** Representatives B. Sullivan, Jarrett and Morris.

**Brief Summary of Bill**

- Directs the Department of Community, Trade, and Economic Development to provide support and funding for two counties to host specific projects that demonstrate how a transfer of development rights program can be used to conserve natural resource and habitat lands.

**Hearing Date:** 1/13/06

**Staff:** Jason Callahan (786-7117).

**Background:**

Transfer of development rights (TDR) programs are a land use planing tool available to local governments in Washington. TDR programs are considered by state law to be an "innovative land management technique" that may be included in a jurisdiction's comprehensive plan (RCW 36.70A.090).

The basic principle of a TDR program is that landowners located in areas of a county where conservation of open land is preferred by the local jurisdiction may sell the property's development rights in exchange for a covenant against future development on the property. The property selling the development credit is often referred to as the sending site. Landowners located in an area of the county where the local jurisdiction prefers to center development may then purchase the development credits from the sending site. The purchased credits may be used by the landowner for development that is denser than the underlying zoning would normally allow. The property purchasing the development credit is often referred to as the receiving site.

Some jurisdictions in Washington are implementing a TDR program, with King County managing the largest program. Counties that choose to implement a TDR program may designate forest or agricultural land located within an urban growth area as land of long-term commercial significance. Counties that do not have a TDR program may not make that claim of land within urban growth areas (RCW 36.70A.060).

**Summary of Bill:**

The Department of Community, Trade, and Economic Development (Department), in consultation with the Department of Fish and Wildlife, is directed to provide initial funding and ongoing technical assistance and financial support for two counties to host TDR demonstration projects. Kittitas and Snohomish Counties must be given the first option to host the demonstration projects. Other counties may participate if Kittitas or Snohomish decline or if sufficient funding is available for additional demonstrations. All participating counties must be willing hosts and be able to manage the direction and administration of the demonstration project.

The demonstration projects may be initiated in a county that does not have an existing TDR program or may be used to enhance an existing but underutilized county TDR program. The projects must demonstrate how a facilitated system of development credits trading can be used to shift development from valuable natural resource and habitat lands to lands that are more suited for residential or commercial development. Demonstration project funding can be used by the host county for direct financial support to the county or for contracting with third-party organizations to facilitate the credits trading aspect of the project.

The Department must provide an initial report back to the Legislature by the end of 2006 and a final report no more than 36 months after the demonstration projects are initiated. The initial report must be a status update of the demonstration projects, and the final report must include suggestions for improving the demonstration projects and the tools available to counties for the operation of TDR programs.

**Appropriation:** None.

**Fiscal Note:** Requested on 12/28/05.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed. However, the bill is null and void unless funded in the budget.